



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
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SECNAVINST 7130.10A
ASN (FM&C)
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SECNAV INSTRUCTION 7130.10A

From: Secretary of the Navy

Subj: DEPARTMENT OF THE NAVY COUNTER-NARCOTICS CENTRAL TRANSFER
ACCOUNT SPENDING POLICY

Ref: (a) Assistant Secretary of Defense, International Security
Policy Letter re: CN-CTA Accounting Methodology,
December 18, 2006 (NOTAL)
(b) National Drug Control Strategy 2016
(c) Deputy Secretary of Defense, Counter-Narcotics,
Counter Proliferation, and Global Threats Memorandum,
"Framework to Counter Drug Trafficking and Other
Illicit Threat Networks"
(d) Executive Order 12992, "President's Council on
Counter-Narcotics," March 15, 1996
(e) Deputy Secretary of Defense, Counter-Narcotics,
Memorandum, "Department of Defense International
Counter-Narcotics Policy," December 24, 2008 (NOTAL)
(f) Assistant Secretary of Defense, Special Operations/
Low Intensity Conflict Memorandum, "Department Drug
Demand Reduction Policy," October 1, 2003 (NOTAL)
(g) Assistant Secretary of Defense, Special Operations/
Low Intensity Conflict Memorandum, Policy Definition
of "Counterdrug Activities," October 23, 2002 (NOTAL)
(h) Deputy Secretary of Defense, Counter-Narcotics
Memorandum, "Department of Defense Counter-Narcotics
Policy," July 31, 2002 (NOTAL)
(i) Government Accounting Office Report, "DoD Counterdrug
Activities," September 1998 (NOTAL)

Encl: (1) Spending Decision Examples

1. Purpose. To provide policy and guidance for the expenditure of congressionally appropriated Counter-Narcotics Central Transfer Account (CN-CTA) funds within the Department of the Navy (DON). This instruction shall be used as the principal DON policy source by personnel expending DON CN-CTA funds and shall be used in conjunction with long established Department of Defense (DoD) accounting and finance practices.

2. Cancellation. SECNAVINST 7130.10.

3. Background. The CN-CTA was established in November 1989. Under the CN-CTA, funds are appropriated by Congress to a single budget line and not to Service baselines. The CN-CTA is intended to account for all Counter-Narcotics (CN) resources for the Department of Defense, except those already included in the baseline, such as flight hours and ship steaming days (i.e., Operational Tempo (OPTEMPO)) and Active Duty military pay. Funds are reprogrammed from the CN-CTA to the Services in the year of execution. The CN-CTA allows for greater execution flexibility in the CN program with the ability to realign resources to address changes in requirements.

a. The DON is engaged in the war on drugs on two fronts - the "supply side" and "drug demand reduction." Both efforts involve the commitment of extraordinary effort and the expenditure of considerable funds.

b. On the "supply side," the DON is primarily engaged in fulfilling a statutory detection and monitoring mission. In this regard, the term "counter-narcotics activities" includes those measures to detect, interdict, disrupt, or curtail any activity that is reasonably related to narcotics trafficking.

c. On the "demand side," DON's Drug Demand Reduction (DDR) programs are guided by reference (a). DON's primary method for deterring the use of prohibited drugs is through urine drug testing. Other efforts include education, training, counseling, and treatment programs.

d. This instruction establishes DON philosophy and guidance for the expenditure of CN-CTA funds based on historical activities and DoD policy contained in references (a) through (i). Enclosure (1) provides a list of spending decision examples. This list is not exhaustive.

4. Policy. Within the DON, CN-CTA funds will only be expended to defray the costs of CN activities mandated by the President in reference (b) and supporting activities as directed by the Secretary of Defense or the Joint Chiefs of Staff pursuant to references (a) and (c) through (i). Receipt of CN-CTA funding shall not be construed as additive to baseline funding.

CN-CTA funding is expressly and specifically appropriated by Congress to defray the cost of activities not already provided for in the Service baseline. When determining whether to expend CN-CTA funds, the following shall be considered:

- a. Whether there is a valid CN nexus; and
- b. Whether the activity is currently funded by the Department of the Navy in the baseline.

5. Responsibilities

- a. The Office of the Assistant Secretary of the Navy (Financial Management and Comptroller) shall:

- (1) Develop and maintain a program funding policy.
 - (2) Coordinate with the Office of the Secretary of Defense (OSD) on reprogramming actions from the counter-narcotics appropriation to various DON appropriations.

- b. The Office of the Assistant Secretary of the Navy (Manpower and Reserve Affairs) shall function as the Drug Demand Reduction program manager, coordinating appropriate funding requirements in Navy's counter-narcotic budget submission to OSD-CN.

- c. DUSN shall function as the Counter Drug program manager, coordinating appropriate funding requirements in Navy's counternarcotic budget submission to OSD-CN.

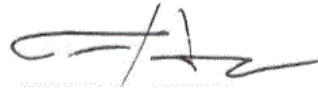
6. Action. All DON personnel involved with the obligation or expenditure of CN-CTA funds will comply with this instruction, references (a) through (i), and other publications and directives, as may be applicable.

7. Records Management

- a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned according to the records disposition schedules

found on the Directives and Records Management Division (DRMD) portal page:
<https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/SitePages/Home.aspx>

b. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact your local Records Manager or the DRMD program office.



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Spending Decision Examples

1. The DON operates ships, aircraft, and submarines in support of CN activities on a global basis. CN-CTA funds shall not be used to pay for steaming days or flight hours; DON's baseline contains OPTEMPO funds to operate Navy aircraft, ships, and submarines.
2. Various DON CN intelligence efforts make use of commercially available databases and intelligence sources. CN-CTA funds shall not be used to defray the costs of subscriptions to these databases and intelligence sources; DON's baseline already contains funding to acquire these subscriptions.
3. During the course of operations, DON deployable assets experience normal wear and tear, undergo casualty repair, pay for maintenance, logistical support and purchase replacement parts, petroleum, oil and lubricants. CN-CTA funds shall not be expended to defray these costs of conducting the CN mission.
4. Both the Navy and Marine Corps have Drug and Alcohol Program Advisors (DAPA) or Substance Abuse Control Officers (SACO); although clearly engaged to some degree in CN, CN-CTA funds may not be used to defray the cost of travel, per diem, or training of these personnel. DAPA/SACO personnel are filling collateral duty positions created by Service requirements and are not funded by DDR programs.
5. A Family Service Center (FSC) that hosts drug counselors, acts as a regional urinalysis testing center, or is engaged in some other aspect of CN may not use CN-CTA funds to defray operational costs they would normally incur if the CN nexus did not exist. Clearly, CN-CTA funds can be used to purchase the specific supplies necessary to collect urine; however, the FSC shall not use CN-CTA funds to purchase administrative supplies, charge rent, or otherwise "profit" from the CN nexus.
6. The cost of treatment for members requiring drug abuse related medical intervention or counseling is covered by the CN-CTA. However, personnel being transported to substance abuse treatment centers and their escorts are acting in accordance with internal Service directives. CN-CTA funds shall not be used to defray the cost of their travel or per diem.

7. Reserve Pay - Navy and Marine Corps Reserve Pay appropriated via the CN-CTA shall only pay for service members performing duties 100 percent related to the execution of the DON CN mission - the type of orders notwithstanding (Annual Training, Active Duty for Training, Active Duty Special Work, Recall, etc).

8. A headquarters element, not otherwise involved in the CN mission, that bears a sufficient administrative burden to justify a full-time employee, may request relief. Frequently, CN-CTA funds may be expended to hire contractors or fund full time equivalent employees performing the CN mission.

9. Project managers who are unable to obligate all allotted CN-CTA funding in a given fiscal year MAY NOT obligate those funds against other legitimate CN efforts at the local level. Funds in excess of specified project code requirements will be identified to the DON Counter Drug Program Office (OPNAV (N314B)) for recoupment and possible redistribution to other projects.

10. Full time equivalents funded by the CN-CTA must be 100 percent engaged in CN related efforts.

11. Exercises may not be funded, subsidized or cost defrayed by the CN-CTA. This includes, but is not limited to: travel, per diem, reserve component pay for staff augmentation, and logistics.